

ETEXT ATTACHMENT

08/25/2004 15 : 12

This letter is in response to the August 4th, 2004 inquiry by the FEC regarding the February monthly report.

The Indiana Democratic Congressional Victory Committee invoices federal committees for their employees' gross payroll, health insurance, and any type of office expense they may have incurred. The total amount we invoiced was for \$24,307.75. The reason this figure is higher than the \$9,741.15 that appears on schedule B is mostly due to the fact that we report these federal employees' net payroll plus taxes not their gross payroll. The only other contributing factor are the office expenses that we charge the federal committees. For the year end report this amount totals \$1,791.36 in expenditures for parking, office expenses, phone and rent that we invoice federal committees that use these services.

Schedule A of our report shows contributions from the Auditor of the State of Indiana. Those contributions are comprised of individual contributions under \$30 for the purchase of Indiana personalized license plates.

Schedule B supporting Line 21(b) disclosure of expenditures for 'fundraising' does not refer to a clearly identified candidate for Federal office nor does it promote, support, attack or oppose any candidate for Federal office; therefore it does not meet the definition of Federal Election Activity.

Although we show employees on Line 21(b), none meet the Federal Election Commission definition of federal election activity.

The \$50,000 in transfers to our non-federal account were in order to replenish non-federal funds for cash flow reasons.

We have attached a Schedule H1 to the ammended February monthly report to disclose the ratio of our administrative costs.
